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2 **Q. WHAT DID THIS COMMISSION STATE WITH RESPECT TO OBJECTIVE**
3 **MEASUREMENTS AND STANDARDS?**

4 The Commission found "that the need exists to establish additional internal quality
5 measurements that govern the interconnection arrangements between Bell South and
6 AT&T." The Commission further ruled that "within 45 days of the approval of this
7 agreement, AT&T and BellSouth shall develop mutually agreeable specific quality
8 measurements which shall govern the interconnection arrangements between the carriers."
9

10 **Q. WHAT DOES THE PROPOSED INTERCONNECTION AGREEMENT**
11 **BETWEEN AT&T AND BELL SOUTH DATED FEBRUARY 3, 1997 SAY**
12 **REGARDING PERFORMANCE MEASUREMENTS?**

13 **A.** The agreement states that "In providing Services and Elements, BellSouth will provide
14 AT&T with the quality of service BellSouth provides itself, a subsidiary, an Affiliate or
15 any other party. BellSouth's performance under this Agreement shall provide AT&T with
16 the capability to meet standards or other measurements that are at least equal to the level
17 that BellSouth provides or is required to provide by law and its own internal procedures.
18 BellSouth shall satisfy all service standards, measurements, and performance requirements
19 set forth in the Agreement and the specific quality measurements that the Parties may
20 mutually agree within forty-five (45) days of the approval of this Agreement. In the
21 interim, until the Parties establish such permanent quality measurements (which may

1 include the service quality measurements provided in the interim) the Service Quality
2 Rules set forth in Chapter 515-12-1 of the Rules of the Georgia Public Service
3 Commission shall apply.”
4

5 **Q. HOW CAN MEASUREMENTS AND STANDARDS HELP REDUCE**
6 **REGULATION?**

7 A. New market entrants will not have to resort to constant petitioning of this Commission if
8 quality issues arise. If necessary, new market entrants may be able to invoke their
9 contractual remedies through an alternative dispute resolution process rather than
10 requesting intervention by this Commission.
11

12 **Q. ARE THERE OTHER REASONS WHY THESE STANDARDS AND**
13 **MEASUREMENTS ARE IMPORTANT TO AT&T?**

14 A. In addition to the reasons stated above, these standards and measurements are important
15 because they help protect an asset that is very valuable to AT&T -- its reputation with
16 consumers as a quality provider.

1
2 (ii) DIALING PARITY
3

4 Q. WHAT DOES THE PROPOSED INTERCONNECTION AGREEMENT
5 BETWEEN AT&T AND BELL SOUTH DATED FEBRUARY 3, 1997 SAY
6 REGARDING DIALING PARITY?

7 A. BellSouth agrees that AT&T Customers will experience the same dialing parity as
8 BellSouth's Customers, such that, for all call types: (i) an AT&T Customer is not required
9 to dial any greater number of digits than a BellSouth Customer; (ii) the post-dial delay
10 (time elapsed between the last digit dialed and the first network response), call completion
11 rate and transmission quality experienced by an AT&T Customer is at least equal in
12 quality to that experienced by a BellSouth Customer; and (iii) the AT&T Customer may
13 retain its local telephone number.
14

15 Q. WHAT ARE THE ISSUES REGARDING DIALING PARITY?

16 A. Item (xii) of the checklist requires that a BOC provide "[n]ondiscriminatory access to such
17 services or information as are necessary to allow the requesting carrier to implement local
18 dialing parity in accordance with the requirements of section 251(b)(3)." 47 U.S.C.
19 § 271(c)(2)(B)(xii). The dialing parity provisions of Section 251(b)(3) impose on LECs
20 the duty to: (1) "provide dialing parity to competing providers of telephone exchange
21 service and telephone toll service" and (2) "permit all such providers to have

1 nondiscriminatory access to telephone numbers, operator services, directory assistance,
2 and directory listing, with no unreasonable dialing delays."

3
4 **Q. WHAT DOES BELLSOUTH'S STATEMENT SAY REGARDING ITS**
5 **OBLIGATION TO MEET THE LOCAL DIALING PARITY REQUIREMENT OF**
6 **THE CHECKLIST?**

7 A. BellSouth's Statement suggests that it has met the local dialing parity requirement of the
8 checklist, because (among other things) BellSouth's end office arrangements permit
9 telephone exchange service customers within a local area to dial the same number of digits
10 to make a local telephone call notwithstanding the identity of the customer's or the called
11 party's telecommunications service.

12
13 **Q. DO YOU AGREE THAT BELLSOUTH HAS SATISFIED ITS DIALING PARITY**
14 **OBLIGATIONS UNDER THE CHECKLIST?**

15 A. No. BellSouth is not currently offering competing providers nondiscriminatory access to
16 such services and information as are necessary to allow the requested carrier to implement
17 local dialing parity in accordance with the requirements of Section 251(b)(3). The primary
18 deficiencies are the result of BellSouth's failure to offer adequate interim number
19 portability solutions. AT&T witness Danforth speaks to this issue.

1
2 **(iii) Number assignment**
3

4 **Q. WHAT ARE THE TERMS UNDER WHICH CARRIERS, INCLUDING**
5 **BELLSOUTH AND ITS AFFILIATES, OBTAIN ACCESS TO TELEPHONE**
6 **NUMBERS FOR ASSIGNMENT TO EACH CARRIER'S LOCAL EXCHANGE**
7 **CUSTOMERS?**

8 A. BellSouth provides access to a "pool" of telephone numbers that are reserved for the
9 CLECs in each telephone office by way of a computer diskette file. BellSouth admits that
10 it is not until Phase II of its implementation of interim electronic interfaces, scheduled for
11 April 1, 1997, that AT&T will have real-time access to telephone number reservations,
12 just as BellSouth has today. If an AT&T customer wanted to reserve a vanity number,
13 AT&T would not have the ability to electronically select this number for the customer as
14 BellSouth can do today for their customer. BellSouth offers their customers the ability to
15 personally select telephone numbers such as those that end in "00" or "55". AT&T would
16 be restricted in its ability to respond to the same customer request until April 1, 1997.
17 This is not parity with BellSouth.
18

1 Q. WHAT IS THE MANNER IN WHICH BELL SOUTH IS MANAGING
2 LIMITATIONS IN NUMBERING RESOURCES?

3 A. Telephone numbers reserved for a CLEC are assigned in maximum blocks of 100 numbers
4 and may only be reserved for three months. They are not permanently assigned to a
5 CLEC. BellSouth will control the general purpose pool of numbers as they are freed up
6 by end user activity. There is no assurance that AT&T's request for telephone number
7 assignment is at parity with BellSouth. When BellSouth's interim interfaces are available
8 on April 1, 1997, AT&T will use BellSouth's CGI server to electronically reserve
9 telephone numbers. It is difficult to comment on the capabilities of this solution being
10 developed by BellSouth since specifications that have been shared are at a very high level.
11

12 Q. WHAT IS THE PLAN FOR FULL IMPLEMENTATION OF THE
13 PREORDERING PROCESS FOR NUMBER ASSIGNMENT?

14 A. There are three plans that I can describe to you regarding telephone number assignment for
15 BellSouth. We have negotiated an initial process with BellSouth that we will use for a
16 Service Readiness Test (SRT) and initial market readiness/market entry, (*short-short term*
17 *process*). During 2nd quarter, 1997, we will implement the next process (*short term*
18 *process*), which will utilize BellSouth's CGI server for telephone number assignment.
19 Finally, at year end 1997, we should implement AT&T's desired architecture for all pre-
20 ordering functions, (*final solution*). This plan given the proper focus by both parties can
21 result in a solution that meets the nondiscriminatory requirements of the Act

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2 **VI. SUMMARY**

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4 BellSouth is unable to demonstrate in its Statement or from its arbitrated agreements that it is
5 able to unbundle the local loop, AIN database, and platform. In addition, it has failed to
6 provide a means to order the unbundled platform and provide assurance of the
7 implementation of the UNEs. There remains numerous unresolved issues that are related
8 to interconnection arrangements; pathways, poles, conduits, rights-of-way, parity
9 measurements and performance standards, dialing parity and number assignment.

10

11 As has been shown, premature approval of BellSouth's petition can harm the total
12 telecommunications marketplace. First, BellSouth today enjoys tremendous advantages in
13 the delivery of service to customers in this region through its control of local service.
14 Additionally, while BellSouth may support industry efforts today to work towards
15 solutions for many of these issues, they clearly have little incentive to actively support
16 these efforts if they are allowed to provide interLATA services to consumers today.

17

18 To paraphrase BellSouth Witness Scheye, does BellSouth meet the checklist? No, they do
19 not. Their lack of experience with competitive market levels and demonstrated inability to
20 deliver on even small quantities is indicative of their short comings. Does BellSouth
21 comply? No, not at the present time. Instead they offer promises of some time in the

1 future that they intend to fully comply. Are they able to deliver? ACSI's experience says
2 "No." Sprint Metro's experience says "No." And Intermedia's experience says "No." In
3 fact, when questioned concerning parity of the CLECs with BellSouth, Scheye even
4 stated, "As long as the outcome is the same, you're not disadvantaged." It would seem
5 that he has already forgotten that another BellSouth Witness in a previous hearing before
6 this Commission admitted that an electronic interface was the only acceptable standard.

7
8 BellSouth cannot have it both ways. It must provide all of the critical components to
9 permit the total opening of the local market to competition including the demonstration of
10 electronic interfaces, non-manual processes for CLEC personnel if they are available to
11 BellSouth personnel, and actual documented experience of some consequence to ensure
12 the robustness of their interfaces, processes and performance. Until these criteria can be
13 readily demonstrated, the Commission will be unable to determine that BellSouth has met,
14 complied and delivered. That is what BellSouth is lacking and why this proceeding is so
15 timely in educating the Commission and the public on why the local market is not yet
16 competitive. This Commission should therefore conform to the spirit as well as to the
17 letter of the Act, and find that BellSouth has not yet met the checklist. BellSouth must
18 demonstrate that it has positively met, and not merely promised that it will "some day"
19 meet the requirements of the Act and the orders of this Commission in the provision of
20 UNEs and other services that CLECs require to effectively compete in the local market.

1 Until BellSouth demonstrates the foregoing, BellSouth should not be granted interLATA
2 authority.

3

4 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

5 **A. Yes, it does.**

100-100000-100000
B to MCI
3-10-97
Comments

In the Matter of)
Implementation of the) DOCKET No. M-960840
Telecommunications Act of 1996)
Bell Atlantic-Pennsylvania's)
Entry Into In-Region InterLATA)
Services Under Section 271)

DECLARATION OF BETTY TAVIDIAN
On Behalf of MCI Telecommunications Corporation

I, Betty Tavidian, declare as follows:

1. I am employed by MCI as a Staff Specialist on Custom Account Record Exchange (CARE) system provisioning for Bell Atlantic, Nynex, and several other LECs. I have been in this position since 1992 and have been with MCI for ten years. I am the Team Lead for my group.
2. The purpose of my declaration is to explain the problems that MCI has had with Bell Atlantic's CARE system. CARE is a system employed by interexchange carriers and local telephone companies to transmit information on customers. For example, if a customer calls Bell Atlantic to request MCI as its long distance carrier, Bell Atlantic employs CARE to send MCI the customer's address, phone number and notification of the customer's choice. Conversely, if the customer calls MCI to order long distance service, MCI employs CARE to send this information to Bell Atlantic.
3. Until recently Bell Atlantic employed the Equal Access Mechanized Interface (EAMI) as its CARE system. In March, 1996, Bell Atlantic implemented the Express Electronics Access System (XEA). The XEA system, like the EAMI system, transmits

files at periodic intervals. In theory, however, the XEA system should allow significantly more information to be sent than the EAMI system.

4. Bell Atlantic implemented the XEA system only after putting it through internal testing that it presumably deemed sufficient. However, implementation of the XEA system has been disastrous. I have appended a chronology summarizing many of the problems that have occurred. Bell Atlantic clearly had not undertaken sufficient testing before beginning its implementation. In fact, this has been a pattern with Bell Atlantic. Even when Bell Atlantic announced the simple addition of fields in the old EAMI system, initial implementation of the fields frequently demonstrated problems that clearly should have been resolved through testing.
5. Problems with implementation of XEA have fallen into several categories. First, there have been significant delays in the implementation process itself. Initial implementation was delayed by over three and a half months; implementation of Phase I, Part 2 was delayed by two months; and implementation of Phase II was delayed by two to five months. Second, there have been substantial and frequent delays in the processing of orders after implementation did occur. Bell Atlantic has taken as much as three weeks longer than it should have to process orders. In a number of cases, XEA systems have suffered "abends" -- a condition in which they simply stop processing information for a period of time. In some of these cases, XEA systems lost files in the process.
6. Third, there have been numerous problems with the information that has been transmitted. For example, when a customer calls MCI to change its PIC to MCI for long distance service, MCI establishes an account for that customer and then sends the request to Bell Atlantic. XEA has sometimes wrongly rejected the request, sending a message

that the customer's phone number is not active. As a result, MCI has cancelled the accounts of legitimate customers. When Bell Atlantic performed recoveries in an attempt to undo the damage, its recovery files did not provide adequate data to correct the problem. Other data integrity issues, such as the provision of incorrect information on whether a line was PICable, the provision of incorrect Customer Type Information (CTI), and the provision of incorrect working telephone number/billing telephone number combinations (WTN/BTN), have become the norm rather than the exception.

7. Many of these system failures have occurred since Bell Atlantic implemented the second phase of its system in November 1996. At that time, Bell Atlantic again assured MCI that its new version had been thoroughly tested. Yet system failures have not abated even now. In the week of February 24 alone, Bell Atlantic fell behind in PIC-processing activity several different times. Bell Atlantic also reported the existence of two data transmission problems: a working telephone number/billing telephone number problem and a Customer Type Information problem. The latter problem had existed since December 12. As with other system failures, Bell Atlantic's OSS lacked the controls to identify the processing problems quickly and to inform MCI of the problem.

8. Needless to say, these system failures have caused substantial customer confusion and dissatisfaction. They have also imposed losses on MCI that could amount to more than a million dollars in lost revenue. For example, when a customer orders MCI service and Bell Atlantic delays changing that customer to MCI (e.g., because it wrongly thinks the customer's phone is inactive), MCI loses the revenue for that customer. Bell Atlantic has acknowledged to me that these failures are directly due to errors in its OSS systems. These problems have not all been corrected, even today.

I verify that the foregoing is true and correct to the best of my knowledge and belief. This statement is made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Betty Tavidian

Betty Tavidian

HISTORY OF BELL ATLANTIC'S XEA IMPLEMENTATION

1) Phase I Part 1 of XEA delayed from 12/95 implementation date to 3/18/96.

A. Implementation occurred on 3/18/96, however, 2 days later it was turned off due to processing problems. Bell Atlantic did not call MCI to inform us. MCI had to call Bell Atlantic to hear about the turn-off.

1. Bell Atlantic decided to run the old system and the new system parallel until they are sure the new system is working properly.

B. In addition, Bell Atlantic informed MCI that Phase I, Part 2 implementation was being delayed from 4/96 to 6/96.

2) On 6/7/96 Bell Atlantic informed MCI of additional processing problems occurring:

A. CTI not populating on all records (primarily NJB, approx. 50,000 records). Root cause of the problem had not been identified. Not fixed until 6/22/96.

B. Billing address not populating on some records (approx. 20,000 records across all ACs). Root cause not identified and fixed until 7/13/96. Recovery files sent 7/22/96.

C. Abbreviated billing addresses going out to the ACs from NJB. Temporary fix implemented 8/4/96. Permanent fix 8/22/96.

3) On 7/11/96 Bell Atlantic informed MCI of another delay to Phase II of Reengineering; and announced a phased implementation schedule impacting all of the issues listed above.

Bell of PA/DE	10/96
C&P	12/96
NJB	2/97

4) On 9/25/96 Bell Atlantic informed MCI of Phase II Reengineering delay of 1 to 5 months impacting the following processing problems and implementations. Bell of PA/DE implementation would be delayed from 10/96 to 11/18/96; and C&P from 12/13/96 to 12/23/96.

A. Delay implementation of Checking the Pending File on AC initiated orders, Lifting the BTN edit, Saturday Processing, Restricted IC PIC Indicator, Frozen to MCI PIC reject, In-Language Indicators,

NonPICable reject codes, Final Billing Address TCSIs, 28XXs for Pending Customer Order Activity.

B. Delay fixes for improper processing - Invalid BTN/WTN rejects being sent on valid orders (verified w/ EAPOC), Responses not being sent on all WTNs for a PIC All order, and Invalid CICs being sent (temporary fix implemented 8/22).

C. Primary reasons that the 10/7/96 date was delayed cited by Bell Atlantic were:

1. The complexity and uniqueness of the table driven system required more development time than originally estimated. The complex database and coding structure required extensive testing prior to implementation. Development delays reduced the required testing to unacceptable levels.

2. The uniqueness of the Switch Manager module used to deliver the PIC via a different channel with date and time stamp resulted in additional testing requirements to stress test the network to the switch to ensure proper functionality and network availability.

3. Significant problems with the implementation of Phase 1 delayed the allocation of critical resources to Phase II.

5) On 11/15/96 Bell Atlantic informed MCI that the 11/18 implementation would be delayed to 11/25/96 due to an error discovered of expansion codes falling out to error. Additional time was required to do integration testing.

6) On 11/18/96 Bell Atlantic experienced a file maintenance problem. No file was sent to the carriers. It was not switch impacting. These records were sent with the 11/19 file.

7) On 11/20/96 Bell Atlantic did not send a file to the carriers due to a file maintenance problem. (It was not switch impacting.)

8) With the 11/25/96 implementation Bell Atlantic experienced other processing problems. Bell Atlantic did not get caught up completely for either business office initiated orders or AC initiated activity until 12/6/96. (C&P contributed to longest delay and largest volume of orders.)

9) On 11/27/96 Bell Atlantic was still having difficulties processing data for the C&P companies. These difficulties caused switch delays and carrier response delays; and they would not be able to update until 11/29/96.

10) On 11/30/96 Bell Atlantic informed MCI that they were still having processing difficulties such as job scheduling and abends, causing Bell Atlantic to run 5 days behind in updating the switch and responding to the carriers.

11) On 12/2/96 Bell Atlantic informed MCI that the C&P companies were experiencing a process program problem and all orders were backlogged since 11/22/96.

12) Bell Atlantic informed MCI on 12/19/96 that the C&P implementation did not occur on 12/19 due to a need for additional verification of system testing conditions experienced in final testing.

13) C&P implementation did occur on 12/20, however, Bell Atlantic informed MCI that there would be a 1-2 day delay of backlogged orders for all areas except NJB. (Not switch impacting).

A. PA/DE and C&P backlog actually did not complete until 12/24.

14) On 1/14/97 Bell Atlantic informed MCI of additional processing delays due to maintenance work.

A. At least a 7 day delay in processing business office initiated activity and AC activity was expected (not switch impacting).

B. On 1/17/97 AC initiated orders were current.

C. On 1/17/97 Bell Atlantic informed MCI that now there would be a 10 day delay in processing business office initiated activity.

D. On 1/24/97 Bell Atlantic informed MCI that AC orders were current; NJB, PA/DE orders were current for business office initiated activity; C&P orders were now being processed for the 15th/16th.

15) On 1/24/97 Bell Atlantic informed MCI that there were additional processing problems.

A. 3139 rejects (WTN not active) were being generated erroneously.

B. A system abend occurred on 12/23/96 or 12/24/96. When the system was restarted a whole days files were missed. The files have been recovered, but not yet processed. (Checking on whether this was switch impacting).

C. A data integrity problem exists on some records that is causing the response to the carrier to not be sent (not switch impacting).

16) On 1/27/97 Bell Atlantic informed MCI that C&P was still behind and processing business office initiated activity from 1/20/97 and 1/21/97. They expected to be current by 1/31/97. However, through all this backlog processing, current activity was being held until Bell Atlantic caught up with the backlog.

17) On 1/28/97 C&P was processing C&P business office initiated activity for 1/22/97 and 1/23/97. Bell Atlantic had now also fallen one day behind in processing C&P carrier initiated activity.

18) On 1/30/97 Bell Atlantic was processing C&P business office initiated activity for 1/24/97, 1/25/97, and part of 1/27/97. They were still one half day behind in processing C&P carrier initiated activity.

19) On 1/31/97 Bell Atlantic was processing C&P business office initiated activity for 1/27/97 and 1/28/97. They now expected to be caught up by 2/6/97. They were still one half day behind in processing C&P carrier initiated activity.

20) On 2/1/97 Bell Atlantic was still processing C&P business office initiated activity for 1/27/97 and 1/28/97.

In addition, the recovery for the 3139 problem mentioned above would not be sent to MCI until 2/3/97.

They had fixed the problem of the output delivery process mentioned above, but still had not produced the recovery file to be sent to the carriers.

An additional problem was reported - a process that directed data to EAMI and XEA misdirected some records to Central EAMI instead of XEA between 12/15/96 and 1/27/97. They believed the impact was minimum and were developing a process to correct the problem.

21) On 2/4/97 Bell Atlantic was processing C&P business office initiated activity from 2/1/97 and 2/3/97 expecting to be caught up by the end of the week.

22) On 2/5/97 Bell Atlantic converted New Jersey Bell over to the new XEA system.

A. When Bell Atlantic converted, they had a Central EAMIabend which caused the last day's processing (2/5/97) to be held up. Because the new system could no longer accept data from the old system, Bell Atlantic had to develop a process to reroute the data to the new system and process it there.

23) On 2/6/97 Bell Atlantic was processing C&P business office initiated activity from 2/4/97 and 2/5/97. C&P carrier initiated activity was being process from 2/5/97.

24) On 2/7/97 Bell Atlantic was processing C&P business office initiated activity from 2/7/97 and expected to be caught up the next day. C&P carrier initiated activity was still one day behind.

Bell Atlantic had finished the recovery for the 3139s and had sent it. (It was later discovered this file was not adequate to correct the damage that had been done.).

25) On 2/10/97 Bell Atlantic was processing C&P carrier initiated activity from 2/9/97 and expected to be caught up by the end of the day. C&P business office initiated activity was now current.

34) On 2/25/97 Bell Atlantic was behind 1 day for C&P carrier initiated activity. Business office initiated activity was current for all operating companies.

35) On 2/26/97 Bell Atlantic reported that they were sending erroneous BTN/WTN combinations for approximately a week. They have identified the cause of the problem but have not fixed it yet. MCI is holding processing of their inbound files for at least the weekend. This could have a major impact to billing and other areas.

A. On 3/3/97 MCI escalated to VP level.

1. Bell Atlantic committed to reporting on the magnitude of the problem, fix date and recovery by COB 3/4/97. Commitment from IS VP Gary Wisenborn to David Swan VP of Operations.

2. Bell Atlantic failed to meet a commitment made on Monday to provide magnitude/impact/recovery to MCI of the problem along with the fix date. A fix date of 3/8/97 was provided. MCI has been holding up the processing of Bell Atlantic inbound files until this is known. This type of error could have a drastic impact to unbillables, customer service, and many other areas. The commitment was made between the Vice President of Operations, David Swan and Vice President of Information Systems Gary Wisenborn. MCI asked for this information to be provided by noon on 3/5 since they have failed to provide it on 3/4/97.

B. On 3/5/97 Bell Atlantic provided a partial update to the problem, reporting that approximate 25,000 ANIs were impacted by this problem, 8-10 thousand of which they believed to be MCI customers. Still no recovery date.

C. On 3/6/97 in talking to Bell Atlantic after escalating the issue many times, tried to find a way to resolve this issue which still had not been resolved by the BA programmers. MCI asked if Bell Atlantic could provide a file of the MCI customers that were impacted by this problem so that MCI could process the BA files they were holding and extract the erroneous transactions. BA was going to check with their programmers and let MCI know on 3/7/97. Still no recovery plan.

36) On 2/27/97 Bell Atlantic was behind 3/4 day for C&P carrier initiated activity. Business office initiated activity for C&P was approximately 1/2 day behind.

37) On 2/28/97 Bell Atlantic was behind 3/4 day for C&P business office initiated activity. Carrier initiated activity for C&P is being processed for 2/25/97 - 2 days behind. They expect to be caught by the weekend 3/9/97.

A. Bell Atlantic encountered major contention and slowdown due to table conflicts with the output distribution job. The output distribution job did not finish until the morning of 2/28/97 due to large volumes.

38) On 3/3/97 Bell Atlantic carrier initiated activity for C&P was approximately one day behind. Processing for business office initiated activity was current.

A. Bell Atlantic also reported today that erroneous 3125 rejects are being sent. The 3125 reject tells MCI that the telephone number is not picable. MCI deactivates these accounts automatically. In this case MCI was taking down legitimate customers. This problem has been occurring since 1/8/97. The fix will not be put in until 3/8/97.

MCI immediately asked that Bell Atlantic provide the impact to MCI, and the date for the recovery file. The recovery file would need to be sent to a unique dataset name, and Bell Atlantic would need to provide the cust codes on the rejects as well as the confirms in order for MCI to reinstate these accounts.

Bell Atlantic did identify the cause.

Root Cause: Service Order Overlay - XEA is currently using the Account level non-picable USOC instead of using the line level picable USOC.

39) On 3/4/97 Bell Atlantic carrier initiated activity for C&P and PA/DE was approximately 1 day behind. Processing for C&P business office initiated activity was approximately three-fourths of a day behind. Bell Atlantic explained that all the XEA jobs appeared to be processing very slowly; and an inquiry was in progress to determine if there was specific problem.

A. No dates or updates provided on any of the pending recoveries.

40) On 3/5/97 Bell Atlantic carrier initiated activity for C&P is still one day behind. PA/DE is also behind approximately 1/2 day due to an improper restart after contentionabend by operations. The situation was corrected and restarted OK.

A. As of today Bell Atlantic has still not provided the second corrected recovery file for the 3139 issue or a date for the 3125 recovery file.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)
 to consider Ameritech Michigan's compliance) Case No. U-11104
 with the competitive checklist in Section 271)
 of the Telecommunications Act of 1996.)

COMMENTS OF TELEPORT COMMUNICATIONS GROUP INC

Now comes Teleport Communications Group Inc. ("TCG"), on behalf of its Michigan operating affiliate TCG Detroit, by its attorneys, and hereby comments upon Ameritech Michigan's Submission of Information filed on December 16, 1996. In this filing, Ameritech Michigan ("Ameritech") alleges that it is in compliance with all of the requirements of the competitive checklist in Section 271(c)(2)(B) of the Telecommunications Act of 1996 ("1996 Act"). For the reasons stated below, and in the accompanying affidavit,¹ TCG shows that Ameritech has not yet met the Section 271(c)(2)(B) checklist and its claim is grossly premature.

The Commission should be aware that on January 2, 1997, Ameritech filed with the Federal Communications Commission ("FCC") an Application of Michigan Bell Telephone Company, d/b/a Ameritech Michigan ("Ameritech") for permission to provide statewide interLATA services. Because of the short time frame to review Ameritech's FCC filing, the Commission should know that these comments should not be construed to be a comprehensive examination of all the ways in which Ameritech does not yet meet the Section 271(c)(2)(B) checklist for Michigan. TCG reserves the right to file additional information with the MPSC and the FCC at later times.

¹See Exhibit A, Affidavit of Michael Pelletier.

I. INTRODUCTION

TCG is particularly qualified to comment upon the state of local competition in Michigan. As the Michigan Public Service Commission ("MPSC" or "Commission") is aware, TCG is certificated since April of 1995 as a provider of basic local exchange service in Southeastern Michigan.² It was one of the first in Michigan to be certified to provide a competitive basic local exchange service in Southeastern Michigan. In addition, TCG just recently concluded a statutory arbitration proceeding to try to obtain interconnection arrangements from the incumbent monopoly LEC, Ameritech.³ The interconnection agreement has some remaining outstanding issues of dispute which were filed with the Commission on November 14, 1996. TCG and Ameritech submitted additional proposals on indemnification and governing law,⁴ which have not been acted upon as yet.

Ameritech has yet to implement all the terms of the interconnection agreement, however. Indeed, nearly two years after being certified to compete as a basic local exchange provider in Michigan, TCG is still operating today pursuant to the "interim" rates, terms and conditions established in 1995 by the Commission in Re City Signal, Case No. U-10647.⁵ Moreover, even when

²Re TCG Detroit, MPSC Case No. U-10731, Opinion and Order issued April 27, 1995 and Re TCG Detroit MPSC Case No. U-11047, Opinion and Order issued April 26, 1996.

³Re TCG Detroit, MPSC Case No. U-11138 (Order Approving Agreement Adopted by Arbitration with Ameritech Michigan, November 1, 1996, referred to herein as "TCG Arbitration Order").

⁴See Exhibit B, TCG filing of November 14, 1996 in Re TCG Detroit, MPSC Case No. U-11138.

⁵Re City Signal, MPSC Case No. U-10647, Opinion and Order issued February 23, 1995.

the interconnection agreement imposed by arbitration by the MPSC is finalized and implemented, the rates, terms and conditions are still "interim," not permanent and final.⁶

II. ONLY AGREEMENTS THAT ESTABLISH PERMANENT COST BASED RATES CONSISTENT WITH THE ACT MAY BE CONSIDERED FOR SECTION 271 PURPOSES

As a threshold matter, Ameritech's application for interLATA authority should not be granted for Michigan until such time as the agreements presented under Section 271(c)(1) include permanent rates for interconnection, unbundled network elements and transport and termination, and those agreements have been approved by the appropriate state commission.⁷ For example, TCG's voluntary agreements with Pacific Telesis, NYNEX in New York, and Bell South provide for permanent rates for the life of the agreement (3 years) and have been approved by the relevant state commissions.

Where TCG has concluded arbitrations with Ameritech, such as in Michigan, the costs of unbundled network elements generally are still not based on such forward looking cost studies, for the simple reason that no state has yet completed a review of properly performed cost studies.⁸ Thus, even TCG's arbitrated agreement in Michigan provides for only interim rates for

⁶*Id.* At p. 4.

⁷Sec. 271(c)(1) says: "A Bell operating company meets the requirements of this subparagraph . . . if it has entered into one or more binding agreements that have been approved under section 252 specifying the terms and conditions under which the Bell operating company is providing access and interconnection to its network facilities for the network facilities of one or more unaffiliated competing providers of telephone exchange service . . . to residential and business subscribers."

⁸Oregon completed a TSLRIC study, but is revisiting the issue.

interconnection and unbundled network elements. Indeed, the interim nature of the rates is explicitly recognized by the Commission in the TCG Arbitration Order. The Commission characterized the rates approved in the order as "an interim measure prior to the approval of studies that provide a more accurate indication of the cost of local traffic termination."⁹ The MPSC also ruled that the legal sufficiency, under the Michigan Telecommunications Act, of the rates adopted in the TCG Arbitration Order "is subject to review on the basis of an approved cost study that demonstrates whether the rates equal or exceed TSLRIC."¹⁰ After Ameritech submitted several improper cost studies which the Commission quite properly dismissed,¹¹ the MPSC commenced a new generic proceeding and ordered proper cost studies be performed and submitted.¹²

In light of the MPSC's rulings, then, the arbitrated agreement with interim rates may not be used as the basis for Ameritech's interLATA entry as it does not provide the final properly cost based rates, terms and conditions pursuant to Section 271(c)(2)(B) of the Act. The competitive viability as well as the legal sufficiency of the interim rates remains open to questions. Only when permanent, properly cost based rates--rates that will endure for the life of the agreement--have been successfully

⁹TCG Arbitration Order, p. 4.

¹⁰*Id.*, p.5, fn. 3. Emphasis added.

¹¹*Id.*, p. 4. The Commission found: "The Commission agrees with the panel that Ameritech Michigan's cost studies should not be used as a basis for the rates because the methodologies in those studies were discredited in Case No. U-10860, et al." Emphasis added.

¹²See Re Ameritech Michigan, MPSC Case No. U-11280, Order Initiating Proceedings, issued December 12, 1996.